

MINUTES

MONTANA SENATE 61st LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chairman Jeff Essmann, on February 18, 2009 at 8:00 A.M., in Room 405 Capitol.

ROLL CALL

Members Present:

Sen. Jeff Essmann, Chairman (R)
Sen. Taylor Brown, Vice Chairman (R)
Sen. Jerry W. Black (R)
Sen. Gary Branae (D)
Sen. Ron Erickson (D)
Sen. Kelly Gebhardt (R)
Sen. Kim Gillan (D)
Sen. Bradley Hamlett (D)
Sen. Christine Kaufmann (D)
Sen. Bruce Tutvedt (R)

Members Excused: Sen. Bob Story Jr. (R)

Members Absent: None.

Staff Present: Lee Heiman, Legislative Branch
Debra Polhemus, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: SB 315, 1/30/2009; SB 418,
2/10/2009; SB 430, 2/4/2009

Executive Action: SB 244 ~ DO PASS AS AMENDED
SB 430 ~ DO PASS

INFORMATIONAL HEARING ON SB 244

(Meeting was opened on SB 244, originally heard in Taxation Committee on February 4, 2009, to allow the sponsor to introduce additional amendments. Sen. Gillan requested that the Department of Revenue be allowed time to comment on proposed amendments during Executive Action.)

00:01:28 Sen. Balyeat

[EXHIBIT\(tas38a01\)](#)

[EXHIBIT\(tas38a02\)](#)

00:03:38 Sen. Gillan

00:04:02 Chairman Essmann

HEARING ON SB 315

Opening Statement by Sponsor:

00:04:27 Sen. Ryan Zinke (R), SD 2, opened the hearing on SB 315, Revise class eight business equipment tax.

Proponents' Testimony:

00:13:23 Jon Bennion, representing Montana Chamber of Commerce also speaking for the Montana Taxpayers Association

[EXHIBIT\(tas38a03\)](#)

00:19:06 Chuck Denough, Flathead Business Industry Association

00:19:51 Vanessa Clark, representing Helena and Great Falls Chambers of Commerce

00:20:33 Riley Johnson, representing National Federation of Independent Business (NFIB)

00:22:12 Jason Todhunter, representing Montana Logging Association also speaking for Ellen Simpson, Montana Wood Products Association and Barry Stang, Montana Motor Carriers Association

00:23:25 Neil Peterson, representing Gaming Industry Association of Montana

00:24:07 Brad Griffin, representing Montana Retail Association

Opponents' Testimony:

00:24:35 Tara Veazey, representing Montana Budget and Policy Center, Helena (MBPC)

00:26:53 L. Harold Blattie, Executive Director, Montana Association of Counties (MACo)

00:30:51 Tara Veazey, MBPC

[EXHIBIT\(tas38a04\)](#)

Opponents' Testimony: (Con't)

00:31:06 Evan Barrett, Chief Business Development Officer,
Office of the Governor

[EXHIBIT\(tas38a05\)](#)

[EXHIBIT\(tas38a06\)](#)

00:38:47 Bob Decker, The Policy Institute, Helena

Informational Testimony:

00:42:41 Debbie Jurcich, Montana Department of Revenue (DOR)

00:43:07 Vern Fogle, DOR

Questions from Committee Members and Responses:

00:43:41 Sen. Tutvedt
00:44:06 Debbie Jurcich, DOR
00:44:25 Sen. Erickson
00:44:41 Sen. Zinke
00:48:14 Sen. Erickson
00:48:39 Chairman Essmann
00:49:18 Sen. Zinke
00:49:37 Sen. Kaufmann
00:50:04 Sen. Zinke
00:51:25 Sen. Kaufmann
00:51:39 Jon Bennion
00:53:54 Sen. Kaufmann
00:54:23 Riley Johnson, NFIB
00:54:53 Sen. Brown
00:55:43 Evan Barrett
00:59:36 Sen. Black
01:00:31 Jon Bennion
01:01:04 Sen. Black
01:01:27 L. Harold Blattie, MACo
01:02:56 Sen. Gillan
01:03:48 Sen. Zinke
01:05:20 Debbie Jurcich, DOR
01:07:03 Sen. Gillan
01:07:24 Debbie Jurcich
01:09:47 Sen. Hamlett
01:10:09 Debbie Jurcich
01:12:38 Sen. Brown
01:13:05 Jon Bennion
01:14:53 Sen. Kaufmann
01:15:16 Tara Veazey
01:16:01 Sen. Kaufmann
01:16:30 Tara Veazey
01:17:53 Sen. Erickson
01:19:29 L. Harold Blattie

Questions from Committee Members and Responses: (Con't)

01:21:35 Sen. Tutvedt
 01:22:08 Chuck Denough
 01:22:34 Sen. Tutvedt
 01:23:26 Evan Barrett
 01:25:28 Sen. Tutvedt
 01:25:50 Evan Barrett
 01:27:38 Sen. Kaufmann
 01:27:57 Tara Veazey
 01:29:38 Chairman Essmann
 01:30:21 L. Harold Blattie
 01:31:28 Sen. Gebhardt
 01:32:11 L. Harold Blattie
 01:33:41 Chairman Essmann
 01:36:41 Tara Veazey
 01:39:39 Chairman Essmann
 01:41:14 Tara Veazey

Closing by Sponsor:

01:42:39 Sen. Zinke
 01:47:34 Recess
 02:02:24 Reconvene

HEARING ON SB 418

Opening Statement by Sponsor:

02:02:51 Sen. Gary Branae (D), SD 27, opened the hearing on
 SB 418, Revise administrative provisions of individual
 income tax.

Proponents' Testimony:

02:06:02 Dan Bucks, Director, Department of Revenue (DOR)
[EXHIBIT \(tas38a07\)](#)
 02:09:01 Holly Franz, representing Montanan Society of CPAs
 (MSCPA) also speaking for Mary Whittinghill, Montana
 Taxpayers Association

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

02:10:10 Sen. Kaufmann
02:10:20 Sen. Branae
02:11:24 Chairman Essmann
02:11:54 Sen. Branae
02:13:19 Chairman Essmann
02:13:36 Sen. Branae
02:14:01 Sen. Tutvedt
02:14:32 Dan Bucks, DOR
02:15:59 Sen. Tutvedt
02:16:22 Gene Walborn, DOR
02:18:41 Dan Bucks
02:19:49 Sen. Tutvedt
02:20:00 Holly Franz, MSCPA

Closing by Sponsor:

02:21:59 Sen. Branae

HEARING ON SB 430

Opening Statement by Sponsor:

02:23:00 Sen. Bradley Hamlett (D), SD 10, opened the hearing on SB 430, Revise administrative provisions relating to Department of Revenue.

Proponents' Testimony:

02:24:33 Gene Walborn, Department of Revenue (DOR)

[EXHIBIT\(tas38a08\)](#)

[EXHIBIT\(tas38a09\)](#)

02:28:21 Holly Franz, representing Montana Society of CPAs (MSCPA) also speaking for Mary Whittinghill, Montana Taxpayers Association

Opponents' Testimony: None

Informational Testimony:

02:29:09 Keith Jones, Attorney, DOR

Questions from Committee Members and Responses:

02:29:30 Sen. Gebhardt
02:30:04 Holly Franz, MSCPA
02:30:36 Sen. Gebhardt
02:31:06 Gene Walborn, DOR
02:31:41 Sen. Kaufmann
02:31:56 Gene Walborn
02:32:13 Sen. Kaufmann
02:32:24 Keith Jones, DOR
02:33:30 Sen. Gebhardt
02:34:06 Gene Walborn

Closing by Sponsor:

02:34:20 Sen. Hamlett

EXECUTIVE ACTION ON SB 244

02:35:31 **Motion:** Sen. Black moved that **SB 244 DO PASS.**

02:35:41 **Motion:** Sen. Erickson moved that **SB 244 BE AMENDED.**
(See Exhibit 1)

Discussion:

02:35:57 Chairman Essmann
02:36:06 Gene Walborn
02:39:03 Chairman Essmann
02:39:29 Gene Walborn
02:39:41 Sen. Black
02:39:48 Chairman Essmann
02:39:59 Lee Heiman, Legislative Services Division (LSD)
02:40:46 Chairman Essmann

02:41:13 Sen. Erickson withdrew the motion.

02:41:24 **Motion:** Sen. Erickson moved **TO SEGREGATE SECTION 1 AND 3** of the amendment. (See Exhibit 1)

02:42:02 **Vote:** Motion carried unanimously by voice vote with Sen. Story voting by proxy.

02:42:32 **Motion:** Sen. Erickson moved that **SB 244 DO PASS AS AMENDED.**

02:43:19 **Motion/Vote:** Sen. Black moved that **SB 244 BE AMENDED.**
(See Exhibit 2) Motion carried unanimously by voice
vote with Sen. Story voting by proxy.

02:43:39 **Motion:** Sen. Gebhardt moved that **SB 244 DO PASS AS
AMENDED.**

Discussion:

02:43:48 Sen. Erickson

02:44:04 Sen. Tutvedt

02:44:23 Sen. Erickson

02:44:49 **Vote:** Motion carried unanimously by voice vote with
Sen. Story voting by proxy.

EXECUTIVE ACTION ON SB 430

02:45:37 **Motion/Vote:** Sen. Hamlett moved that **SB 430 DO PASS.**
Motion carried unanimously by voice vote with Sen.
Story voting by proxy.

Committee Business:

02:46:05 Chairman Essmann

02:46:55 Sen. Kaufmann

02:47:53 Sen. Gillan

02:48:06 Sen. Tutvedt

02:48:58 Sen. Erickson

02:49:25 Chairman Essmann

Additional Exhibits:

EXHIBIT(tas38a10)

Relating to SB 259 heard in committee on January 29, 2009.

ADJOURNMENT

Adjournment: 10:50 A.M.

Debra Polhemus, Secretary

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Additional Documents:

EXHIBIT ([tas38aad.pdf](#))